

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON LONG RANGE PLANNING

Call to Order: By **CHAIRMAN DAVE KASTEN**, on January 17, 2003 at 8:30 A.M., in Room 350 Capitol.

ROLL CALL

Members Present:

Rep. Dave Kasten, Chairman (R)
Sen. Tom Zook, Vice Chairman (R)
Rep. Christine Kaufmann (D)
Sen. Jon Tester (D)
Sen. Joseph (Joe) Tropila (D)
Rep. John Witt (R)

Members Excused: Sen. Bob Keenan (R)

Members Absent: None.

Staff Present: Catherine Duncan, Legislative Branch
Jane Hamman, OBPP
CJ Johnson, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: HB 6 & 8 RENEWABLE RESOURCE GRANTS
AND LOAN APPLICATIONS (RRGL)

Executive Action: None

CHAIRMAN KASTEN opened the Committee hearing on HB 6 and 8. He said that REP. FACEY wanted to speak on the St. Mary's Siphon Project that was presented in Committee yesterday, 1/16/03.

REP. FACEY discussed the St. Mary's project and the memories of his uncle who worked on the St. Mary's project back in 1935 through 1972. When REP. FACEY was young he would ride with his uncle along the ditch checking for holes in the pipe. He asked the Committee to support and fund this project.

**Malta Irrigation District-Replacement and Modification of
Check Structures, RRGL-Project #24 Page 78**

CHAIRMAN KASTEN opened the hearing on the Malta Irrigation District-Replacement and Modification of Check Structures, RRGL-Project #24 Page 78.

Bob Fischer, RRGL-DNRC, said that the proposed scope of work consists of replacing 31 existing structures of a 92-year old project. He recommended the full grant of \$100,000.

Proponents:

Bud Mavencamp, Malta Irrigation Manager, distributed written testimony which he read. He asked that the Committee support this project.

EXHIBIT(jlh10a01)

Kevin Salsbery, Member and Vice President of the Malta Irrigation District, stated his support for this grant application, and said that the project is needed for water efficiency.

Melvin Novak, President of Glasgow Irrigation District, wanted to go on record in support of this project.

Kay Blatter, Milk River Board of Control, wanted to go on record in support of this project.

Mike Murphy, Representing the Montana Water Resource Association, restated the importance of these projects for Montana agriculture, and wanted to be on record in support of this project.

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked what the cost is in their water district. **Kevin Salsbery** responded that it is \$3.25 per acre foot for water, plus \$13.46 per acre foot for O & M (operation and Maintenance).

CHAIRMAN KASTEN closed the hearing on the Malta Irrigation project.

**Fort Belknap Irrigation District-Sugar Factory
Lateral Project, RRGL-Project #29 Page 91**

CHAIRMAN KASTEN opened the hearing on the Fort Belknap Irrigation District-Sugar Factory Lateral Project, RRGL-Project #29 Page 91.

Bob Fischer, RRGL-DNRC, said that this is a water conservation project. It will replace 1,350 feet of buried pipe that is adjacent to Chinook. The project will be for accessing seepage losses and seepage control, and other alternatives for other canals and laterals that are operated by the District. He recommended full funding of \$100,000.

Proponents:

Kay Blatter, President of the Ft. Belknap Irrigation District, informed the Committee that this project is not connected to the Tribe. He said that the Ft. Belknap District runs eight miles west of Chinook to 3.5 miles east of Chinook. They have a problem with seepage from the pipe, and the water sits in an open ditch next to the homes, which causes safety and health issues.

Jack Gibbs, Chairman of the Ft. Belknap Board, wanted to go on record in support of this project.

Max Maddox, Member of the Alfalfa Irrigation District that borders the Ft. Belknap District, wanted to go on record in support of this project and the Glasgow Irrigation Project.

Keenan Salsbery, Malta Irrigation District, wanted to go on record in support of this project.

Melvin Novak, Glasgow Irrigation District, wanted to go on record in support of this project.

Mike Murphy, Montana Water Resources Association, wanted to go on record in support of the project.

Opponents: None

{Tape: 1; Side: A; Approx. Time Counter: 0 - 18.6}

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked about the Malta Irrigation District, and wanted to know what the in-kind contribution is. **Mr. Gibbs** responded that it is mostly labor, machinery, and administration support.

SEN. TESTER asked Kay Blatter to explain what corrugated pipe is. **Mr. Blatter** stated that it is black plastic which is smooth on the inside but corrugated on the outside for strength. The life expectancy of this pipe is 30 to 50 years.

The Committee members asked questions about the length of the pipe and how much water will it serve per acre. **Mr. Blatter** responded.

CHAIRMAN KASTEN closed the hearing on the Ft. Belknap project.

**Glasgow Irrigation District-Vandalia Diversion Dam
Rehabilitation (III), RRGL-Project #44 Page 129**

CHAIRMAN KASTEN opened the hearing on the Glasgow Irrigation District-Vandalia Diversion Dam Rehabilitation (III), RRGL-Project #44 Page 129.

Bob Fischer, RRGL-DNRC, stated that this is the third phase for this project. He recommended full funding of \$100,000.

REP. JEFF PATTISON wanted to be on record in support of this project.

REP. KARL WAITSCHIES wanted to be on record in support of this project.

Deby Murch, Manager of the Glasgow Irrigation District, reviewed and discussed the handout she had distributed previously. She said that this request is for phase III, and stated that phase II is in HB 177 that may be cut.

EXHIBIT (j1h10a02)

{Tape: 1; Side: A; Approx. Time Counter: 18.6 - 28.5}

John Lacey, Commissioner of the Glasgow Irrigation District, clarified for the Committee that Glasgow has recently had an economic study done where they tried to assess the value of the irrigation project for the Glasgow local community. He stated that they took the average county price production yield, and compared that to what the expected contributions would be on 18,000 acres with and without irrigation. He said that they used a multiplier of 2.5, and it was concluded that the economic activities generated by Glasgow Irrigation District contributed an additional \$7.8 million to the local economy. If it wasn't for the Vandalia Dam, they wouldn't have any irrigation. There are three Tribes and seven other irrigation districts that receive this water before it reaches Glasgow. He asked the Committee to support this project.

{Tape: 2; Side: A}

Melvin Novak, Glasgow Irrigation District, reviewed and summarized the different phases of the project, and the monies they have received from grants. He reviewed the handout from Ms. Murch (Exhibit 2).

Kay Blatter, Ft. Belknap Irrigation District, wanted to go on record in support of this project.

Kevin Salsbery, Malta Irrigation District, wanted to go on record in support of this project.

SEN. SAM KITZENBERG wanted to go on record in support of this project. He stated that this is a very efficiently-run project, and very important to everyone on the high-line.

Mike Murphy, Montana Water Resources Association, wanted to go on record in support of the project.

Opponents: None

Questions from the Committee Members and Responses:

The Committee discussed HB 177, and if the funds that are requested today can be applied toward phase II. **Deby Murch** informed the Committee that phase II is the bridge project, and phase III is the replacement of the concrete that holds the dam up. **Bob Fischer** responded that the money designated today is for phase III only. It cannot be applied to phase II.

Jane Hamman, OBPP, asked Melvin Novak what have they incurred in expenses from phase II. **Mr. Novak** stated that they have signed a

contract, but didn't think that they have incurred any expenses at this time toward any of the DNRC monies.

REP. WITT asked for more information on the impact of HB 177 toward these projects. **Mr. Fischer** replied that HB 177 can take away the monies for the grant projects even if there is a grant agreement in place, but haven't expended any money. He said that if HB 177 does pass, the monies for phase II will not be available.

Ms. Hamman informed the Committee that the Governor's Office Staff and DNRC Staff held a meeting last night and discussed this issue. She said "that the staff today is contacting the list of grantees from prior years that have not signed a contract, or have not incurred any expenditures. She said that there are more on that list than would be required to meet all the requirements of HB 177 in terms of the reduction in revenue available to fund previously approved grants. She said that they are preparing their best recommendations on where the least harm would be done, then those applicants would have to reapply. The recommendations could be coming to this Committee for action, or they could be going to House Appropriations. She thought that this Committee could ask for a review of the list and the discussion that went with it. The list would be required to go into the bill on projects that were stricken, which will take legislative action. This is the beginning of preliminary dialog on this matter."

{Tape: 2; Side: A; Approx. Time Counter: 9.4 - 10.8}

CHAIRMAN KASTEN informed the Committee that **REP. PATTISON** has stated that the Vandalia Project has been flagged.

SEN. TESTER asked for clarification from **Ms. Hamman** if any of the projects that the Committee took out of the decisions that were made in the last legislative session or the previous session could come back to this Committee to be reviewed, such as where the projects are, if started or completed. He asked if the Committee has to take them out if there isn't any expense and no contract has been signed. **Ms. Hamman** responded, stating that she isn't sure where the leadership would decide where that list would go, if it comes to this Committee or go to House Appropriations as an amendment into HB 177. She said that wherever it goes, it will require legislative deliberation to review each project. **SEN. TESTER** asked if the Committee will be given the flexibility to look at the projects, or if it will be a black-and-white situation if there is no contract and no expenses, and then they are gone. **Ms. Hamman** said that it is a legislative decision. She said they will prepare the best staff recommendations and information for the Committee, then it is up

to the Committee to act. **SEN. TESTER** asked if there is any project from the 1999 Legislature that was approved, but doesn't have any contract or expenses incurred. **Ms. Hamman** said yes. She thought there might be a project from the 1997 session still on the list.

CHAIRMAN KASTEN informed the Committee "that before these projects go before the House Appropriations, this Committee will spend some time on this issue before any executive action is taken."

{Tape: 2; Side: A; Approx. Time Counter: 10.8 - 13}

CHAIRMAN KASTEN closed the hearing on the Glasgow Irrigation District project.

**Blackfeet Tribe "Oki Mamii" (Hello Fish),
RRGL-Project #26 Page 84**

CHAIRMAN KASTEN opened the hearing on the Blackfeet Tribe "Oki Mamii" (Hello Fish), RRGL-Project #26 Page 84.

Pam Smith, RRGL-DNRC, informed the Committee that this project is for 4th and 5th grade students from the Blackfeet Tribe to learn conservation of the ecosystem and fisheries. She recommended the full funding of \$23,581.

Proponents:

SEN. GLENN ROUSH said that he represents the Blackfeet Reservation area. He said this is a cultural request for the Blackfeet who take their activities very serious. He asked the Committee to support this project.

Hunt Bodenhamer, Teacher for the Blackfeet Tribe, said that this project is a step toward increasing community awareness in conservation. He said there are 25 proposed lessons that will be taught to 4th and 5th grade classes. The lessons concentrate on biology, local waters and issues, and fisheries. He said that the lessons will also include the Blackfeet language and traditional views in regard to water resources. He distributed a handout that outlines their goals and objectives.

EXHIBIT (j1h10a03)

REP. NORMAN BALLANTYNE wanted to go on record in support of this project.

Barbara Broberg, Women Involved in Farm Economics, said that there is a need for this type of education, and asked to be on record in support of this project.

Kay Blatter, Milk River Board Joint Control, wanted to go on record in support of this project.

Opponents: None

Questions from Committee Members and Responses:

SEN. TESTER asked about the implementation of the program, setting up the lesson plans, curriculum, and when the project will be finished and in place to be taught in class. **Mr. Bodenhamer** said that they hoped to have field classes in the fall, but if that doesn't work it will have to be later. **SEN. TESTER** asked how many kids are involved, and how long the program will last. **Mr. Bodenhamer** said there will be approximately 300 children involved in this program. He said that the program will last about five years, and the kids that start now will be in high school by that time. They hope to have an Earth Science Soil Program developed by that time for those kids that will be in high school to continue in the program.

REP. WITT asked why The Nature Conservancy didn't help fund this project. **Mr. Bodenhamer** said that he didn't think about that. He stated that they do have a summer program on the lake for kids. **REP. WITT** stated that if The Nature Conservancy is going to tell Mr. Bodenhamer how to run their program on the reservation, then they should be involved with the funding. **Mr. Bodenhamer** said that The Nature Conservancy is exploring what they can do on the reservation. He said that they were instrumental in forming a land trust and created the educational center. He said they have done some partnership projects with The Nature Conservancy, but felt they are more in the exploratory phase at this time.

SEN. ZOOK asked if they had looked elsewhere for funding, and what made them think to apply for this grant. **Mary Clair Weatherwax** said they did look at various sources for this project, and had been informed by someone at the University to check into this grant. She thought that the substance of the project fit the grant. She said it is unique that the Tribe make application to the State for this funding, because they usually apply for monies like this through the federal government.

REP. KAUFMANN asked Ms. Weatherwax to expound on the relationship between the Tribe and The Nature Conservancy. **Ms. Weatherwax**

said "that The Nature Conservancy doesn't tell them how to run things or what to do." She said that they "work in partnership with the Tribe in the preservation of their pristine land." There are many species of sensitive plants on the reservation that are of interest to The Nature Conservancy, because of the biological importance of the habitat.

{Tape: 2; Side: A; Approx. Time Counter: 13 - 28.5}

{Tape: 2; Side: A}

John Tubbs reviewed the history of the State working with the Tribe, and the importance of having this project to teach the children about the ecosystem and the fisheries. He said that some of the St. Mary's Siphon project is on Tribal property and they need this working relationship to assist in that project and upcoming projects in the future.

CHAIRMAN KASTEN closed the hearing on the Blackfeet Tribe "Oki Mamii" project.

**Montana Department of Agriculture-Monitoring Well
Network/Assess Ag Chemicals, RRGL-Project #6 Page 30**

CHAIRMAN KASTEN opened the hearing on the Montana Department of Agriculture-Monitoring Well Network/Assess Ag Chemicals, RRGL-Project #6 Page 30.

Pam Smith, RRGL-DNRC, recommended the full funding of \$100,000 for the well monitoring project.

Greg Ames, Agricultural Sciences Division, Montana Department of Agriculture (MDA), asked the Committee that they fund this project to study the chemicals in ground water. He said that this grant will fund the expansion of the monitoring well network dedicated to the assessment of agri chemicals in ground water in Montana. He distributed a handout which he reviewed, and asked the Committee to support this project.

EXHIBIT(jlh10a04)

{Tape: 2; Side: A; Approx. Time Counter: 0 - 6.7}

Barbara Broberg, Women Involved in Farm Economics, asked the Committee to support this project.

Bob Stevens, Montana Grain Growers Association, and the Tri-County Water District, said that the water comes off of the

Fairfield bench, which is a high malting barley area that uses a lot of chemicals on the crops. He said that the wells service western Teton County, western Choteau County, Benton Lake, and the U.S. Missile site. He urged the Committee to support this project.

Kate Miller, Hydro Geologist from the Montana Bureau of Mines and Geology, Montana Tech in Butte, said that Sara Carlson from the Montana Association Conservation District wanted to be on record in support of this project.

REP. JOHN WITT stated his support for this project.

SEN. JOE TROPILA stated his support for this project.

Opponents: None

Questions from Committee Members and Responses:

SEN. ZOOK said that the project doesn't show that there is a budget for more than one sampling event, and wanted to know if the wells that are going to be drilled will have only one sampling taken from them. **Greg Ames** said that the grant proposal includes sampling for the first year, which is part of the budget proposal. The on-going monitoring will take place two times a year by the Department of Agriculture. The 12 new wells will be included in the on-going monitoring program that they have with the existing 16 wells, and the department will absorb those costs as an expansion of their ground water program.

SEN. TESTER asked Kate Miller if the Bureau of Mines supports this project. **Ms. Miller** responded that they do. **SEN. TESTER** asked about the \$38,290 contribution from the Bureau of Mines, and wanted to know what that included. **Ms. Miller** said that it includes the salaries of those that are overseeing the selection of the sites, such as the hydro geological evaluation to determine where the wells will be drilled, drilling the wells, and the time logging the holes.

CHAIRMAN KASTEN closed the hearing on MDA.

**Gallatin Local Water Quality District-Dedicated Monitoring
Well Network-Gallatin Valley, RRGL-Project #37 Page 112**

CHAIRMAN KASTEN opened the hearing on the Gallatin Local Water Quality District-Dedicated Monitoring Well Network-Gallatin Valley, RRGL-Project #37 Page 112.

DNRC recommended the amount requested of \$99,884 upon approval of the scope of work for the project such as, administration and budget analysis, and come back when this is completed.

Proponents:

Alan English, Director of the Gallatin Local Water Quality District Bozeman, stated his support for the project, and distributed a handout explaining the project, and why they need the funding.

EXHIBIT(jlh10a05)

{Tape: 2; Side: A; Approx. Time Counter: 6.7 - 20.6}

Mona Jamison, representing Gallatin County, urged the Committee to support this project. She said that there is full local Community support for this project from the Bozeman DNRC Office, Gallatin Conservation District, the Gallatin County Planning Office, the Gallatin City/County Health Department, Local Homeowners' Associations, and the MSU Earth Sciences Department.

{Tape: 2; Side: A; Approx. Time Counter: 20.6 - 30.9}

{Tape: 2; Side: B}

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked if the MDA was involved with this project. **Alan English** replied that they do want to work with the Bureau, because it integrates with the Bureau's statewide monitoring network, and the characterization program which is a detailed study. He said that the Bureau's program and their program would fit together to share information dealing with the ground water center database that will be put on the internet and be made available to all agencies and the public.

CHAIRMAN KASTEN closed the hearing on the Gallatin Local Water Quality District.

Montana Department of Natural Resources & Conservation-North Fork Smith River Dam Rehabilitation, RRGL-Project #30 Page 93

CHAIRMAN KASTEN opened the hearing on the Montana Department of Natural Resources & Conservation-North Fork Smith River Dam Rehabilitation, RRGL-Project #30 Page 93.

Bob Fischer, RRGL-DNRC, said that this project is the first one before the Committee this session that a request for an RRGL loan. He recommended the grant for \$100,000, and approval of the RRGL loan of \$400,000 at the interest market rate not to exceed 4.5 percent. This funding will be used for the rehabilitation construction of the North Fork Smith Dam located ten miles out of White Sulfur Springs.

Proponents:

Kevin Smith, Water Resources Division DNRC, distributed a handout that summarizes the project description, deficiencies, and the proposed rehabilitation.

EXHIBIT (j1h10a06)

Trent Townsend, President of the Smith River Water Users' Association, said that this association is the one that will be responsible for the \$457,000 RRGL loan. He asked that the Committee allow them the low interest rate on this loan if approved. He said that there are 30 water users in the association, but only five ranch operations which will bear 85 percent of the loan.

Opponents: None

Questions from Committee Members and Responses:

CHAIRMAN KASTEN asked what the water fee is. **Mr. Smith** said that it is \$14.

SEN. ZOOK asked if FWP can help pay for this project due to the dam being used largely for recreational use. **John Tubbs** responded that there are several ways to get funding. He said that one of the most effective ways is water leasing by joining with the irrigators. He stated that FWP has never shown any offer to pay for the water storage usage. **SEN. ZOOK** commented that there is a large amount of money in FWP that they don't want to reveal, but he said this benefits them, and felt that FWP should participate with the funding. **CHAIRMAN KASTEN** said this was discussed in a previous session, but couldn't get a commitment. He said that some of FWP money should be dedicated to this project when it also benefits them. **John Tubbs** said that another issue they discussed to help fund this project is the Future Fisheries Program.

SEN. TROPILA asked what the in-kind service contribution is. **Mr. Smith** responded that they have a contract management consultant

that works with contractors who provide on-site provisions as needed in the construction of the project.

CHAIRMAN KASTEN closed the hearing on the North Fork Smith River Dam.

**Hill County-Beaver Creek Dam Outlet Works Repair,
RRGL-Project #42 Page 124**

CHAIRMAN KASTEN opened the hearing on Hill County-Beaver Creek Dam Outlet Works Repair, RRGL-Project #42 Page 124.

Bob Fischer, RRGL-DNRC, reviewed and recommended the grant request of \$100,000. He said that the phase of this project includes the improvement of the dam's control gate outlet. He said that Hill County is also requesting the approval of a RRGL loan for \$400,000 with interest at market rate not to exceed four percent for a maximum term of 20 years.

Proponents:

Doug Kaercher, Hill County Commissioner, informed the Committee that he was before them at the last session for the same project. He said that they didn't have the PER done and was told to do this and come back to this session for further approval. **Mr. Kaercher** stated that the Committee from the last session did grant them a \$100,000 to do the PER. He said that Hill County also contributed \$25,000 for the comprehensive study. **Mr. Kaercher** said that Natural Resource Conservation Services-U.S. Department of Agriculture (NRCS) disagreed with them, and wanted Hill County to go back to the same proposal from the last session. He felt that their ranking should be moved up so they can take care of the dam before it gets worse.

{Tape: 2; Side: B; Approx. Time Counter: 0 - 23.8}

Annmari Robinson, Deputy Director of Bear Paw Development, said that they assisted Hill County on the project. She said that there were substantial disagreements between the review agencies, NRCS and the engineering firm for Hill County. She stated that NRCS had classified their dam as a high-hazard dam. With the current system that they are using to control the water they are losing three acres of feet of water per day going out the gate because they cannot close it.

Ms. Robinson said that they started this project in 1999 after NRCS had done a five-year inspection report, which noted that the outlet work needed to be done. She said they spent a considerable amount of money on the engineering firm that they hired, and had to have divers go in to look at the in-take, which

took considerable time. The engineering firm suggested that they install a "fixed-cone", which is supposed to give them better control of the water. She said that the irrigators are paying \$10.50 per acre foot, which is high along side the irrigators on the Fresno Reservoir that are only paying \$5.35 per acre feet of water. She said that they are proposing a general obligation (GO) bond that will be voted on by the voters, not just the irrigators, because it is also a flood control for the city of Havre. **Ms. Robinson** said that the engineering firm informed them that the total cost of this project was approximately \$180,000. NRCS was present through the study, and felt that this cost was low. She said that they submitted their application to the Department of Commerce, and asked for authorization up to \$400,000, which they thought would cover any additional cost that NRCS would be concerned with. She asked that the Committee consider this project by adding the additional funds to the RRGL grant.

{Tape: 2; Side: B; Approx. Time Counter: 23.0 - 30.1}

{Tape: 3; Side: A}

John Tubbs discussed the Hill County Project with the Committee informing them why the project scored so low.

Opponents: None

Questions from Committee Members and Responses:

The Committee discussed the problems and asked questions about Hill County. **Mr. Tubbs** and **Ms. Robinson** responded.

CHAIRMAN KASTEN closed the hearing on Hill County.

**Montana Bureau of Mines and Geology-Irrigation
Technical Assistance Project, RRGE-Page 153**

CHAIRMAN KASTEN opened the hearing on the Montana Bureau of Mines and Geology-Irrigation Technical Assistance Project, RRGE-Page 153.

Bob Fischer, RRGL-DNRC, said that this project is at the request of individual landowners for the development of ground water irrigation on their property. He said that the funding and request amount of \$99,925 is recommended, but it fell below the funding line, and they cannot fund them at this time. **Mr. Fischer** said that they received a telephone call from the

landowners, who informed the department that they will not be present here today.

Proponents: None

Opponents: None

Questions from Committee Members and Responses: None

CHAIRMAN KASTEN closed the hearing on the Montana Bureau of Mines.

**City of Laurel-Groundwater and Salinity Management,
RRGL-Page 186**

CHAIRMAN KASTEN opened the hearing on the City of Laurel-Groundwater and Salinity Management, RRGL-Page 186.

Bob Fischer, RRGL-DNRC, said that this project is a further study on the ground water monitoring by the Montana Bureau of Mines and Geology. The project will identify ground water and salinity control majors around the city of Laurel. He recommended no funding for this project. **Mr. Fischer** informed the Committee that no one is present for this hearing.

Proponents: None

Opponents: None

Questions from Committee Members and Responses: None

CHAIRMAN KASTEN closed the hearing on the City of Laurel.

Cary Hagerberg, Montana Contractors Association, said he is speaking on behalf of the Construction Industry of Montana who supports the entire cast of projects that is in front of this Committee. He said that the Montana Contractors' Association supports the infrastructure projects in the state of Montana for obvious reasons, such as creating jobs and keeping the economy going. He thanked the Committee for their time and for allowing him to testify.

CHAIRMAN KASTEN adjourned the Committee hearing.

ADJOURNMENT

Adjournment: 11:00 A.M.

REP. DAVE KASTEN, Chairman

CJ JOHNSON, Secretary

DK/CJ

EXHIBIT (j1h10aad)